

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2850 - SB 2845

March 2, 2010

SUMMARY OF BILL: Reduces from 60 to 30 days the amount of time an employer must notify a health insurer of a covered person's loss of eligibility. Authorizes a health insurance entity that is aware or has a good faith reason to believe that a covered person's eligibility may be in question to notify a health care provider within two business days prior to the date of service if verification of coverage status is requested by the provider. A health insurance entity is immune from liability if the entity furnishes information to a health care provider about a covered person's eligibility in good faith. Unless a health care provider commits fraud, a health insurance entity is prohibited from retroactively denying a claim or recouping a payment on the basis of an individual not being covered if the health care provider requested eligibility verification and the insurance entity did not reflect that a covered person's eligibility may be in question within two business days of service. Requires all health insurance entities to become a Phase I certified health plan as established by the Council for Affordable Healthcare's Committee on Operating Rules for Information Exchange by July 1, 2011.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Assumptions:

- The Department of Commerce and Insurance will be responsible for enforcement and administration of the bill which will be accomplished by reviewing health policies to ensure that contracts and plan agreements conform to the bill requirements and through the investigation of complaints.
- Any cost incurred by the Department can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml

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